GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:433
ANSWERED ON:22.08.2003
TRADE GAP
ALE NARENDRA;CHANDRA BHUSHAN SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the overall position of India`s export-import during each of the last three years up to June, 2003;

(b) the items/sectors whose export and import have increased/decreased during the above period;

(c) whether the sudden rise in imports during first three months of current fiscal year has increased the trade gap of the country which had remained within sustainable limits in the last few years;

(d) if so, the details thereof and the reasons for sudden rise of imports; and

(e) the steps being taken by the Government to boost the export and to reduce the import and to keep the trade gap within the sustainable limits in future?

Answer

MINISTER FOR COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.433 FOR ANSW ON 22.08.2003 REGARDING TRADE GAP

(a) The overall position of India`s exports-imports in respect of merchandise goods during each of the last three years are as given below:

(US $ Million)

	2000-01	2001-02	2002-03(P)	2003-04(P) (April-June)
Export	44560	43827	52234	13147
Import	50536	51413	61286	17329

P : Provisional Data

(b) The exports of almost all the major sectors except plantations have increased during the above period. The major items of imports which have shown a higher growth rate are petroleum, oil and lubricant, machinery, precious and semi-precious stones etc. The major items of imports which have shown a decline are fertilizers and project goods.

(c) & (d) The trade gap during April-June, 2003-04 is placed at US$(-)4182 million as compared to US$ (-)1801 million during April-June2002-03 and US$ (-) 2430 million in April-June, 2001-02. The rise in the trade gap during the first quarter of current financial year is due to the growth of both oil and non-oil imports. While some of these are essential imports others are required for export production and for domestic industrial production.

(e) Based on the strategies contained in the Medium Term Export Strategy 2002-07, announced in January, 2002, a number of programmes/schemes have been launched through the Union Budget, 2003-04 and Exim Policy, 2003-04.In the Exim Policy, 2003-04, besides, the focus on Service exports, policies have been devised to strengthen Special Economic Zones (SEZs), 100% Export Oriented Units (EOU`s), etc. A new programme called `Focus CIS` has been introduced. Duty Neutralization Schemes for import of inputs used for export production have been strengthened. Export Promotion being a constant endeavor of the Government, its performance is continuously monitored on a regular basis and steps are taken to promote the exports and reduce the trade gap. As a

result exports in 2002-03 reached an all time high of US $ 52.2 billion registering a growth rate of 19.20% in dollar terms. In April-June, 2003-04 export growth rate was 11.06% in dollar terms.